

City of Albuquerque

Office of Internal Audit

Interoffice Memorandum

February 20, 2004

Ref. No. 04-01-113F

To: Sandy Doyle, Director, Department of Finance and Administrative Services

Peter Bateman, Risk Manager, DFAS

Craig Urbanski, Loss Prevention Manager, DFAS

From: Debra Yoshimura, Director, Office of Internal Audit

Subject: FOLLOW-UP REVIEW OF AUDIT REPORT NO. 01-113, DFAS, RISK

MANAGEMENT DIVISION, LOSS PREVENTION SECTION

The Office of Internal Audit completed a follow-up review of Management Audit Report No. 01-113, Department of Finance and Administrative Services (DFAS), Risk Management Division, Loss Prevention Section (LPS) dated October 15, 2002. The purpose of our review was to determine if the audit recommendations had been implemented. We determined the following:

RECOMMENDATION NO.1:

We recommended that the Chief Administrative Officer (CAO) appoint members to the Executive Safety Committee and that the CAO ensure that the Executive Safety Committee meet on a regular basis, as required, to discuss and to resolve City safety issues. The purpose of the Executive Safety Committee is to develop and recommend safety policies to the CAO. These policies should be applicable on a Citywide basis and assist individual directors in addressing major safety related issues within his or her specific department. At the time of our audit, the last Executive Safety Committee meeting held was in December 1998. As stated in several findings within the audit report, there was no Citywide enforcement of safety policies or the 1998 Chief Administrative Officer's Risk Management Manual (Risk Manual), and there was little accountability for safety performance. The Executive Safety Committee could assist the City by addressing major safety related issues and encouraging a safety culture at the highest level.

ACTION TAKEN:

The recommendation has been fully implemented. The Executive Safety Committee members were appointed October 28, 2002. Members include the City's Chief Financial Officer, the Chief Operations Officer, the City Attorney, the Director of the Human Resources Department, the Director of the Public Works Department (Public Works), and the Risk Manager. The Committee has met on a regular basis beginning November 2002 through January 2004.

RECOMMENDATION NO. 2:

We recommended that the Executive Safety Committee resolve safety issues and hold departments accountable for unresolved safety issues. In addition, the CAO should request an appropriation for correction of safety issues to be administered by the Executive Safety Committee. There was no department accountability for the resolution of safety issues.

We also recommended that the Cultural Services Department ensure that all construction projects are properly reviewed and approved by the Design Review Committee prior to the start of construction. The Planning Department should develop a process to ensure all projects are properly reviewed and approved by the Design Review Committee prior to the start of construction.

ACTION TAKEN:

The recommendation has been fully implemented. The Executive Safety Committee addressed safety issues that had been raised in the past but not yet resolved. An inspection and hazard reporting process for reporting uncorrected safety inspection deficiencies and serious hazardous conditions was approved by the Executive Safety Committee and signed in September 2003. One hundred thousand dollars was allocated to the Executive Safety Committee to enable the City to identify critical safety issues and deal with them appropriately and effectively.

The Design Review Committee reviewed the Cultural Services Department's construction projects as required.

The Planning Department (Planning) has a tracking system in place to ensure all projects are properly reviewed and approved by the Design Review Committee prior to the start of construction.

One of the projects selected for review, the Arno/Central Lofts-Old Albuquerque High School, was for Public Infrastructure Improvements, which includes paving, sanitary sewer, and storm drainage. This project was in the DRC review and approval process at the time of our follow-up review, awaiting signatures from the DRC Chairman and the City Engineer. A building permit was issued on July 18, 2003 and construction had begun on the building/lofts. While the infrastructure has not been approved as of October 2003, the building was in construction. A problem could arise if the building is built and the public infrastructure improvements made by the contractor do not meet City requirements.

RECOMMENDATION NO. 3:

We recommended that DFAS propose revisions to both the Administrative Instruction and the Risk Manual that will give LPS the authority to provide guidance and perform analysis Citywide.

The revisions should also require that all City departments provide LPS with reports of activities including safety violations, injuries, OSHA inspections and fines and safety committee meeting minutes for tracking of Citywide safety efforts. These revisions should also require all City departments to send copies of their safety inspection reports to LPS.

We also recommended that City departments that do not have department safety committees appoint committees. All department safety committees should meet at least monthly. Department safety committees should prepare meeting minutes and send copies to LPS.

ACTION TAKEN:

This recommendation has been partially implemented. A process for reporting information by departmental safety personnel to LPS was developed and approved by the Executive Safety Committee. Centralized and decentralized safety staff function descriptions were approved for departmental safety staff, LPS functions related to departments without safety staff, and LPS for Citywide functions. These safety staff function descriptions will replace Sections 6.60 and 6.61 of the Risk Manual.

A process was developed for the Aviation Department (Aviation), the Metropolitan Detention Center Department (Detention), the Albuquerque Fire Department (Fire), the Parks and Recreation Department (Parks) - Park Land Management Division, Public Works, the Solid Waste Management Department (Solid Waste), and the Transit Department (Transit), who have their own safety personnel to report information to LPS. The Executive Safety Committee approved the process in September 2003. It required that reports be submitted quarterly beginning the first quarter of FY2004 (September 30, 2003) to LPS. However, as of January 2004, departmental safety personnel have not yet submitted reports of activities to LPS. LPS sent out a reminder to departmental safety personnel on January 28, 2004. Detention submitted its FY2004 second quarter report on January 30, 2004.

Most department committees are meeting either monthly or bi-monthly, depending upon department size or topics of discussion. There are departments that do not have a department safety committee, that are not meeting at all, or met only a few times in the prior twelve months. Departments that do not have department safety committees are: the Convention Center Department (Convention Center), the Council Services Department (Council Services), and Transit. Departments that have a department safety committee but are not meeting regularly are: Detention, the Environmental Health Department (Environmental Health), the Legal Department (Legal), and Planning.

FOLLOW-UP RECOMMENDATION

DFAS LPS should continue to send reminders to the departments prior to the end of each quarter as required by the approved reporting process.

Aviation, Fire, Parks, Public Works, Solid Waste, and Transit, who have their own safety personnel, should provide LPS with reports of activities including safety violations, injuries, OSHA inspections and fines and safety committee meeting minutes for tracking of Citywide safety efforts.

Council Services and Transit should appoint safety committees.

Environmental Health, Legal, and Planning safety committees should meet regularly. Department safety committee meeting minutes should be prepared with a copy sent to LPS.

EXECUTIVE RESPONSE FROM DFAS

"DFAS LPS agrees with the follow-up recommendation. A process providing for the submission of safety information by departments to DFAS LPS has been implemented, and DFAS LPS will continue to remind departments of the required reporting process prior to the end of each quarter."

EXECUTIVE RESPONSE FROM AVIATION

"Aviation Department Safety Meetings are held once a month with all Divisions in attendance. Safety minutes are e-mailed to LPS monthly. Our Quarterly Report was submitted to LPS February 4, 2004."

EXECUTIVE RESPONSE FROM COUNCIL SERVICES

"The Council office will create a safety committee that will meet on a regular basis."

EXECUTIVE RESPONSE FROM ENVIRONMENTAL HEALTH

"EHD agrees. The director has instructed the safety committee to establish a schedule of monthly meetings immediately, to record committee meeting minutes, and send a copy of the minutes to LPS."

EXECUTIVE RESPONSE FROM FIRE

"The Fire Department, having been notified of the quarterly reporting requirement in September 2003, submitted quarterly reports in October 2003 and February 2004 and will continue to submit these reports as required. The Fire Department has always provided LPS with reports of activities including violations, injuries, and OSHA inspections, and will continue to submit this information.

"The Fire Department does not agree with the requirement to submit safety committee meeting minutes because such reporting may hinder discussion of the issues."

EXECUTIVE RESPONSE FROM LEGAL

"The Legal Department agrees. Meetings were not being held on a regular basis, but after meeting with an LPS safety officer last fall, a bimonthly schedule was set. A new committee has been formed, and a secretary appointed to set up meetings and provide minutes to DFAS LPS."

EXECUTIVE RESPONSE FROM PARKS

"Parks and Recreation agrees. In order to comply, the department has instructed its safety specialist to ensure that all reports of activities and minutes from safety committee meetings are submitted to LPS in a timely manner."

EXECUTIVE RESPONSE FROM PLANNING

"The Planning Department agrees and has recently re-established its safety committee. The chairman is developing the committee structure and safety manual. All divisions of the department have representatives on the committee. The committee is preparing the required safety reporting mechanisms, operating procedures, manual, etc. Committee reports and minutes will be submitted as required."

EXECUTIVE RESPONSE FROM PUBLIC WORKS

"PWD agrees with the finding. Currently PWD's departmental safety personnel are submitting various reports to LPS as required: Quarterly Risk Management Reports, OSHA Reports, and beginning in 2004, the Monthly Loss Reports along with a notification of changes made to the report. The staff will also provide copies of the department's safety meeting agendas and minutes starting this month."

EXECUTIVE RESPONSE FROM SOLID WASTE

"SWMD agrees with the recommendation and the actions proposed for implementation. The Department does provide, to 'agencies that need to know', safety data, injury data, OSHA inspection reports and any fines

if assessed. Safety Committee minutes have been internal, and shared only with staff in the past. Copies will be sent to LPS."

EXECUTIVE RESPONSE FROM TRANSIT

"The Transit Department agrees and will have a committee appointed by March 31, 2004."

RECOMMENDATION NO. 4:

We recommended that DFAS request that LPS personnel have signature authority as related to the Design Review Committee. LPS sign off at the Design Review Committee level would be a way to ensure LPS safety concerns are acknowledged and addressed prior to construction.

We recommended that the CAO revise Administrative Instruction No. 8-4 to include LPS's Design Safety Inspector, who is a licensed registered Architect, as a member of the Design Review Committee. As a member of the Design Review Committee, LPS should ensure that projects adhere to OSHA and other safety regulations.

ACTION TAKEN:

This recommendation has been fully implemented. DFAS requested that LPS personnel have signature authority as related to the Design Review Committee. This request was denied at the October 2003 Executive Safety Committee Meeting.

RECOMMENDATION NO. 5:

We recommended that DFAS consistently use a tracking system for safety inspection reports. The inspections should be tracked from assignment to completion. The safety inspections should be numbered when assigned to the individual safety personnel. The tracking system should include the date assigned, the date the inspection is completed, the date of report distribution to the department, the date the response is due, the date the response is received, and any follow-up work planned. The tracking system should also include fields for tracking other information as needed for reporting on performance measures. Completed inspection reports should be maintained in a master file. DFAS should review the tracking system to determine if all sites are inspected, if follow-ups are performed, and if deficiencies are corrected. DFAS should use a manual tracking system until a computerized system is developed.

ACTION TAKEN:

This recommendation has been partially implemented. LPS implemented a reporting system on a trial basis as a result of a meeting with City safety staff. It provided for the tracking of inspections from assignment to completion and included information such as date of initial inspection and date completed. However, that reporting system did not

include all of the data desired, and it was a cumbersome system for tracking inspection reports. LPS has selected a computerized tracking system, which has been reviewed by City safety staff. The purchase of the computerized tracking system has been submitted to the Executive Safety Committee for approval.

FOLLOW-UP RECOMMENDATION

DFAS should complete implementation of a computerized tracking system that provides useful information to determine if inspections and responses are timely, if deficiencies are corrected and if follow-ups are performed.

EXECUTIVE RESPONSE FROM DFAS

"DFAS LPS agrees with the follow-up recommendation. DFAS LPS has received approval for its purchase of a computerized system for the tracking of safety inspections, and will complete implementation of the system by July 1, 2004."

RECOMMENDATION NO.6:

Aviation, Detention, Fire, Parks, Public Works, Solid Waste, and Transit have their own safety personnel who were independent of LPS, and who perform their own safety inspections. These areas did not have adequate tracking systems in place for their inspection reports.

It was recommended that DFAS design a standard tracking system for inspection reports and a related standard inspection control form to be used Citywide. In addition, Aviation, Detention, Fire, Parks, Public Works, Solid Waste, and Transit should use a tracking system to determine if all sites within their departments are inspected, if follow-ups are performed, and if safety issues have been corrected. We recommended that these areas use a manual tracking system until a computerized system is developed, and ensure that inspection reports are maintained in a master file.

ACTION TAKEN:

This recommendation has been partially implemented. LPS distributed a manual tracking system for other City departments' safety inspections. LPS is in the process of acquiring a computerized tracking system that will be available to safety personnel Citywide.

City departments that have their own safety personnel who did not track inspections at the time of our follow-up included Aviation, Solid Waste, and Transit. City departments that tracked their inspections included Detention, Fire, Parks, and Public Works. Fire has developed a computerized tracking system that has the information needed to track the inspection from start to finish, and can quickly determine if safety issues have been corrected.

FOLLOW-UP RECOMMENDATION

DFAS should complete the implementation of a computerized tracking system that can be used by safety personnel Citywide.

Aviation, Solid Waste, and Transit's safety personnel should track inspections performed.

EXECUTIVE RESPONSE FROM DFAS

"DFAS LPS agrees with the follow-up recommendation. DFAS LPS will complete the implementation of a computerized system for Citywide tracking of safety inspections by July 1, 2004."

EXECUTIVE RESPONSE FROM AVIATION

"The Aviation Department uses a manual tracking system and refinements are being made. We are waiting for a computerized version from LPS."

EXECUTIVE RESPONSE FROM SOLID WASTE

"SWMD agrees and will develop and implement a facilities safety inspection tracking system this fiscal year. The Department will then adopt the citywide standard inspection system."

EXECUTIVE RESPONSE FROM TRANSIT

"The Transit Department agrees and will track inspections."

RECOMMENDATION NO.7:

We recommended that DFAS develop a documented written inspection plan or schedule for performing routine safety inspections for the departments it is responsible for. The plans should include identification of all City work sites. Inspections should be prioritized based on injury experience, applicable OSHA standards, potential for accidents due to the hazardous nature of work and equipment, and very young or old clientele.

ACTION TAKEN:

This recommendation has been partially implemented. LPS developed a proposed safety inspection schedule for calendar year 2003. This inspection schedule was not a

comprehensive written inspection plan and it did not incorporate items that DFAS committed to in their response to the audit; such as, scheduled inspections, date inspection completed, classification of hazards, date deficiencies corrected, and follow-up dates.

FOLLOW-UP RECOMMENDATION

DFAS should develop a documented written inspection plan for performing routine safety inspections for the departments it is responsible for.

EXECUTIVE RESPONSE FROM DFAS

"DFAS LPS agrees with the follow-up recommendation. DFAS LPS has developed a comprehensive written inspection plan for 2004 and 2005 that includes dates inspections are scheduled and completed, hazard classifications, date deficiencies are corrected, and follow-up dates."

RECOMMENDATION NO.8:

We recommended that DFAS work with the City departments that have their own safety personnel to develop a training policy for all safety personnel. The policy should be recommended to the Executive Safety Committee for adoption. The policy should specify the types of training and the number of hours of training required annually. The training should be both internal and external. Safety personnel should be encouraged and assisted to achieve certifications.

Aviation, Detention and Fire should ensure that their safety personnel attend training to enhance their knowledge of safety issues and practices. Also, DFAS management should review the proposed Safety Professional Development Program and revise and implement the program as appropriate. In addition, DFAS and the Human Resources Department Training and Organizational Excellence Division should offer Citywide training on all areas of safety and health, e.g. carpal tunnel, basement air, etc.

ACTION TAKEN:

This recommendation has been partially implemented. The Executive Safety Committee determined at the August 2003 meeting that training for safety personnel is an issue to be addressed by Human Resources Department (HRD) rather than by LPS or the Executive Safety Committee. HRD did not previously address Citywide training on areas of safety and health for safety personnel.

Aviation and Detention safety personnel did not attend job-related safety training.

FOLLOW-UP RECOMMENDATIONS

HRD should develop a training policy for all safety personnel. The policy should be recommended to the Executive Safety Committee for adoption.

Aviation and Detention safety personnel should attend job related safety training as required by the training policy developed by the Executive Safety Committee.

EXECUTIVE RESPONSE FROM HRD

"HRD concurs that there should be a training policy for all safety personnel, which also identifies specific safety curriculums.

"While general safety topics have been identified, HRD maintains that the policy adopted should be comprehensive (rather than general) in order to clearly identify the safety protocols and curriculums that will be relevant citywide, given the variety of work environments within the organization. HRD will work with departments and Loss Prevention, as the subject matter experts, to identify department-specific safety issues to be addressed through a City safety policy. HRD anticipates completion of the necessary research and development of a proposed policy by the end of the fiscal year."

EXECUTIVE RESPONSE FROM AVIATION

"The Aviation Safety Officer has received training on Accident Prevention and OSHA Compliance, New Mexico Department of Labor, Substance Abuse Policy, Leadership/Supervisory Development, and ASSE instruction. The Safety Officer will continue to attend additional training in the future."

EXECUTIVE RESPONSE FROM DETENTION

"The Metropolitan Detention Center is currently working with the Risk Manager on a plan for safety officer certification."

RECOMMENDATION NO. 9:

We recommended that the Executive Safety Committee and DFAS review LPS responsibilities as assigned in the Risk Manual and determine if they are still applicable. Once additions or deletions are made, the responsibilities should be prioritized.

ACTION TAKEN:

This recommendation was fully implemented. Centralized and decentralized safety staff functions were approved for departmental safety staff, LPS functions related to departments without safety staff, and LPS for Citywide functions. These safety staff functions will replace Sections 6.60 and 6.61 of the Risk Manual.

RECOMMENDATION NO. 10:

We recommended that DFAS develop and implement a method of communicating safety issues with all City safety personnel and safety committees. DFAS should develop a Safety Manual for approval and adoption by the Executive Safety Committee, which would provide policies and procedures that can be used to help guide and train all City safety personnel. As requirements change, updates to the manual could be distributed to the departments.

ACTION TAKEN:

This recommendation has not been implemented. While various methods of communication have been researched including newsletters, bulletins, on-line communication, and regular meetings, none have been implemented at the time of the follow-up. LPS did meet in October 2002 with safety personnel and again in August 2003. A Safety Manual has not yet been developed.

FOLLOW-UP RECOMMENDATION

DFAS should develop and implement a method of communicating safety issues with all City safety personnel and safety committees.

DFAS should develop a Safety Manual for approval and adoption by the Executive Safety Committee.

EXECUTIVE RESPONSE FROM DFAS

"DFAS LPS agrees that a method of communicating with City safety personnel and committees should be implemented, and has met with ISD to facilitate implementation of an on-line safety newsletter in March 2004.

"DFAS LPS disagrees with the follow-up recommendation that a Safety Manual should be adopted. The Executive Safety Committee has voted against the adoption of such a Safety Manual. A single Safety Manual applicable to diverse job responsibilities throughout the City would be ineffective. DFAS LPS will take steps by July 1, 2004 to assure the

availability of pertinent safety information to employees who are charged with responsibility for safety under Administrative Instruction 8-5 and under OSHA regulations."

RECOMMENDATION NO. 11:

We recommended that DAFS review the strategy outcome and other performance measures for LPS to determine if they can be accurately measured and if the appropriate measures are being tracked. Aviation, Parks and Recreation, Public Works, and Transit should develop performance measures for safety in consultation with LPS. We also recommended the CAO revise the Risk Manual to require all City departments to send copies of their safety records to LPS so that Citywide safety efforts can be tracked.

ACTION TAKEN:

This recommendation has been partially implemented. While DFAS modified their FY04 Strategy Output measures and Quality measures, a tracking system is not yet implemented to track these measures.

Public Works developed performance measures for safety but Aviation, Parks, and Transit did not

FOLLOW-UP RECOMMENDATION

DFAS should implement a tracking system, which will capture the data necessary to report on performance measures.

Aviation, Parks, and Transit should develop performance measures for safety in consultation with LPS.

EXECUTIVE RESPONSE FROM DFAS

"DFAS agrees with the follow-up recommendation, and will complete implementation of a computerized tracking system that will capture data necessary to report on performance measures by July 1, 2004."

EXECUTIVE RESPONSE FROM AVIATION

"The Aviation Department did not include a safety performance measure in its proposed FY05 Budget. However, the Aviation Department will work in consultation with LPS to develop performance measures."

EXECUTIVE RESPONSE FROM PARKS

"The Parks and Recreation Department is currently working with LPS to develop safety performance measures."

EXECUTIVE RESPONSE FROM TRANSIT

"The Transit Department agrees and will develop performance measures."

DDY/njt

xc: Mayor Martin Chavez

City Councilors

Internal Audit Committee

Jay Czar, CAO

Gail Reese, CFO

James Lewis, COO

Laura Mason, Director Council Services

Dewey Cave, Director, Aviation

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Clarence "Porky" Lithgow, Director, Solid Waste

Peter Behrman, Director, Transit

Patricia Miller, Director, Human Resources

Harry Tipton, Director Metropolitan Detention Center